

2022 No. 307

SOCIAL SECURITY

The National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022

<i>Made</i>	- - - -	<i>15th March 2022</i>
<i>Laid before Parliament</i>		<i>16th March 2022</i>
<i>Coming into force</i>	- -	<i>6th April 2022</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 1(5) and (6), 6(8) and 12(4) of the National Insurance Contributions Act 2022(a) and section 175(3) of the Social Security Contributions and Benefits Act 1992(b).

PART 1

Introductory provisions

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022 and come into force on 6th April 2022.

(2) In these Regulations—

“the Act” means the National Insurance Contributions Act 2022;

“mariner” has the meaning given in regulation 115 of the SSCR;

“the SSCR” means the Social Security (Contributions) Regulations 2001(c);

“employed earner”, “employment”, “pensionable age” and “secondary percentage” have the meaning given in whichever of section 122(1) of the 1992 Act(d) or section 121(1) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(e) applies;

(a) 2022 c. 9 (“the Act”).

(b) 1992 c. 4.

(c) S.I. 2001/1004.

(d) “The 1992 Act” is defined in section 13(2) of the Act as the Social Security Contributions and Benefits Act 1992. The definition of “pensionable age” in section 122(1) was substituted by paragraph 13(a) of Schedule 4 to the Pensions Act 1995 (c. 26). The definition of “secondary percentage” in section 122(1) was inserted by paragraph 12(4) of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19).

(e) 1992 c. 7. The definition of “pensionable age” in section 121(1) was substituted by S.I. 1995/3213. The definition of “secondary percentage” in section 121(1) was inserted by paragraph 31(4) of Schedule 1 to the National Insurance Contributions Act 2002.

“primary Class 1 contribution” and “secondary Class 1 contribution” have the meanings given in section 6(1) of whichever of the 1992 Acts(a) applies.

PART 2

Zero-rate secondary Class 1 contributions for freeport employees who are mariners

Application of this Part

2. This Part applies to any employment of a person as a mariner where secondary Class 1 contributions are payable in respect of earnings at the secondary percentage as modified by regulation 119 of the SSCR.

Application of section 1 of the Act (zero-rate contributions for employees at freeport tax sites: Great Britain)

3. Section 1 of the Act is to be treated as applying in relation to contributions payable in respect of a tax week in the tax year 2022-23 or any subsequent tax year only when—

- (a) that tax year has ended, and
- (b) all contributions payable in respect of a tax week in that tax year have been paid.

Modification of freeport conditions

4.—(1) Section 2 of the Act (freeport conditions) has effect as if—

- (a) for subsection (1)(d) there were substituted—
 - “(d) 60% or more of the earner’s employed time during that qualifying period was spent in a single freeport tax site in which the employer had business premises for the duration of that period.”,
- (b) in subsection (3)(b) “(subject to subsection (4)(d))” were omitted, and
- (c) subsection (4)(d) were omitted.

PART 3

Zero-rate secondary Class 1 contributions for certain armed forces veterans

Application of this Part

5. This Part applies to—

- (a) any employment of a person as a mariner where secondary Class 1 contributions are payable in respect of earnings at the secondary percentage as modified by regulation 119 of the SSCR,
- (b) any employment of a married woman or widow who has made an election under regulation 127(b) of the SSCR which still has effect,
- (c) any employment in relation to which Her Majesty’s Revenue and Customs have allowed the employed earner to defer payment of certain primary Class 1 contributions for the purpose of not exceeding the annual maximum in regulation 21 of the SSCR, and

(a) “The 1992 Acts” are defined in section 13(2) of the Act as the 1992 Act and the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7). Section 6 of the 1992 Act was substituted by paragraph 2 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) (“the WRPA 1999”), and section 6 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 was substituted by paragraph 2 of Schedule 10 to the WRPA 1999.

(b) Amended by S.I. 2003/964 and paragraph 34(1) of Schedule 1 to the National Insurance Contributions Act 2015 (c. 5).

- (d) any employment of an employed earner who has attained pensionable age and is not liable to pay primary Class 1 contributions by virtue of section 6(3) of either of the 1992 Acts.

Application of section 6 of the Act (zero-rate contributions for armed forces veterans)

6. Section 6 of the Act is to be treated as applying in relation to contributions payable in respect of a tax week in the tax year 2022-23 or any subsequent tax year only when—

- (a) that tax year has ended, and
(b) all contributions payable in respect of a tax week in that tax year have been paid.

*Michael Tomlinson
Rebecca Harris*

15th March 2022

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify types of employments for which the reliefs provided to employers on secondary Class 1 National Insurance contributions (“NICs”) in Part 1 of the National Insurance Contributions Act 2022 only apply after the end of the tax year.

Part 1 provides for citation, commencement and interpretation.

Part 2 relates to the employer NICs relief for freeport employees in Great Britain and provides that the relief is only available after year end, once all contributions have been paid, in respect of mariners for whom secondary Class 1 contributions are paid at the reduced rate for mariners.

Part 3 relates to the employer NICs relief for armed forces veterans and provides that relief is only available after year end, once all contributions have been paid, in respect of—

- mariners for whom secondary Class 1 NICs are paid at the reduced rate for mariners,
- married women and widows who have elected to pay primary Class 1 NICs at the reduced rate,
- employees who have been allowed by Her Majesty's Revenue and Customs to defer payments of primary Class 1 NICs for that employment for the purpose of their payments not exceeding the annual maximum amount of NICs,
- employees over pensionable age who are not liable to pay primary Class 1 NICs.

A Tax Information and Impact Note covering this instrument was published on 12th May 2021 alongside the National Insurance Contributions Bill (in session 2021 to 2022) and is available on the website at <https://www.gov.uk/government/collections/national-insurance-contributions-bill-2021>. It remains an accurate summary of the impacts that apply to this instrument.

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